

# **THE CDBG-R SUBSTANTIAL AMENDMENT**

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## **ENSURING RESPONSIBLE SPENDING OF RECOVERY ACT FUNDS**

Funding available under the Recovery Act has clear purposes – to stimulate the economy through measures that modernize the Nation’s infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. HUD strongly urges grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings. While the full range of CDBG activities is available to grantees, the Department strongly suggests that grantees incorporate consideration of the public perception of the intent of the Recovery Act in identifying and selecting projects for CDBG-R funding.

### ***VIRGINIA CDBG-R PRIORITY PROJECTS:***

Upon review of the 39 submitted proposals the Virginia Department of Housing and Community Development (DHCD) identified six priority projects and two alternates that most closely met the intent of the program. The six priority projects are:

#### **Staunton, City of; AWASAW Artisans and Cultural Center: \$1,000,000**

The AWASAW Artisans and Cultural Center is a regional Center devoted to marketing and promoting Virginia-based arts and crafts and the history of Virginia. Located at the intersection of Interstates 81 and 64 in the Shenandoah Valley, the AWASAW Cultural Center will be situated on approximately eight acres of land leased from the Frontier Culture Center of Virginia. This prime location is expected to attract 360,000 visitors annually and will have a positive effect on the number of visitors to the Frontier Culture Center. In addition to providing a showcase for local and regional artists, the Artisans Center of Virginia, a Tourist Information Center, and Virginia National Guard Museum will be housed at the facility.

The Center will collaborate with Heartwood, Round the Mountain, and other artisan projects, along with Virginia Tourism Corporation for enhanced artisan promotion initiatives and to market the historic migration routes of Virginia.

AWASAW will be a significant economic engine. It is estimated that 272 construction-related positions will be created and maintained during the construction of the project. A project of this magnitude will have a substantial trickle-down effect in the surrounding communities long before the doors ever formally open for business. After the AWASAW Cultural Center is constructed, it will require 48 positions to maintain operation, with a projected annual payroll of \$1,247,670.

#### **Marion, Town of; Marion Downtown Project: \$1,000,000**

This project will further the implementation of a Town Campus Plan to ensure connectivity between anchor destinations and commercial sites (shopping, lodging, dining, etc.) in Downtown Marion through pedestrian way improvements, façade revitalization, and physical blight elimination. A significant activity will be the transfer of the Historic Marion School as well as renovations at the adjacent Smyth County Courthouse to include improved and expanded parking in Downtown Marion.

In May 2009, the Historic Marion School Building was selected by Preservation Virginia as a 2009 Most Endangered Historic Site in Virginia. The Town will acquire this structure and eliminate exterior blight on the property to adaptively reuse it for the Appalachian School of Music and Art.

By revitalizing Downtown Marion and initiating the adaptive reuse of the Historic Marion School Building as the Appalachian School of Music and Art, this project will play a significant role in the overall economic restructuring of Southwest Virginia. The Appalachian School of Music and Art will tie in directly with The Crooked Road: Virginia's Heritage Music Trail, 'Round the Mountain: Southwest Virginia's Artisan Network, and Heartwood: Southwest Virginia's Artisan Gateway. These initiatives and the communities in the region have created a

unique, one-of-a-kind tourism cluster with national and international appeal. The tourism cluster in Southwest Virginia has been shown to be a driving force for economic restructuring, which will help maintain strong economies in the small, rural communities during difficult economic times.

**Frederick County; NW Works Building Project: \$1,000,000**

This project will allow for a significant expansion to the number of persons employed by a sheltered workshop that provides employment for persons with disabilities. These funds will contribute to the construction of a much larger and more efficient facility that will result in the addition of almost 80 jobs, over 70 of which will be for low-to-moderate income persons. The construction phase should generate approximately 68 jobs. Due to the local proximity to the Northern Virginia area, there has been a proportionate decline in the local building construction and supply industry in the area during the housing market decline. Stimulation of construction projects in Frederick County will make a significant difference in local available work opportunities.

The facility will include various multi-purpose work areas; a café which will serve both the public and stakeholders; a retreat center which will be catered by our café; and, a flower and farmer's market. Each of these workplace components will be staffed by individuals with disabilities. This new state-of-the-art facility will allow the expansion of the population served to include individuals with autism as well as more severe disabilities.

**Fries, Town of; Fries Volunteer Fire Department Relocation Project: \$1,000,000**

The Town of Fries is undertaking a significant economic restructuring process that includes the revitalization of the former Fries mill site and riverfront that will be a catalyst for development, providing business, employment, and recreation opportunities. This site has a spectacular riverfront view and will expand upon the natural and cultural assets of the region to provide a significant regional economic impact.

The relocation of the fire station is a cornerstone of the economic restructuring strategy the Town has developed. The revitalization strategy and Master Plan has been very community-driven and has the full support of the neighboring localities and the regional economic development entity. This strategy, which includes future revitalization efforts in the adjacent business district, centers upon heritage and ecotourism as the future for economic development for the Town.

Development of these opportunities along the New River, with this site as a premiere outdoor recreation and business center, will help create a sustainable economic development anchor for the town and lead to a economic boost for the region by driving more visitors to this new destination. Revitalization of the site will provide a much needed boost for the Town and the region, a region that has been hard hit by the overall economic slowdown and by the closing of a number of manufacturing and textile-based industries that were once widespread through the area.

**Franklin, City of; Franklin Business Incubator Build-Out: \$536,466**

This project will expand an immensely successful business incubator program that has operated at capacity since it was initially opened. The Franklin Business Incubator has an existing waiting list for services and will quickly make use of additional space provided by this expansion. The

project is expected to create up to 77 new, permanent jobs in Franklin and the surrounding counties.

Currently, the Incubator is home to twenty-eight (28) businesses employing one hundred and twenty (120) individuals – sixty-two (62) full-time and fifty-eight (58) part-time employees. With five (5) emerging businesses on the waiting list, the City of Franklin as well as the Franklin Southampton Economic Development, Inc. seeking to build-out remaining part of the building in order to accommodate up to eighteen (18) more businesses employing seventy-seven (77) individuals so that they operate in the City of Franklin and surrounding communities. The creation of this build-out will serve to maximize job creation and economic development benefit for not only the City, but also the region and Commonwealth of Virginia.

**Mecklenburg County; MeadowView Terrace Expansion: \$528,842**

This project will expand an award winning, dually certified nursing facility that provides nursing, personal and restorative care, as well as rehabilitation services to persons in need of long term care services. The existing facility has operated at full capacity with a high level of demand for additional services since opening. The project will also create at least 25 new, permanent jobs.

The facility serves residents throughout the region including Mecklenburg, Halifax, Brunswick, Charlotte, Pittsylvania and Lunenburg Counties and will fill a significant need in the service area. Additionally, the job creation is critical to the local economy. The unemployment rate in Mecklenburg County is 11.6%, which exceeds the Virginia rate of 7.0% and the national rate of 8.1% dramatically. The architectural, engineering and interior design team for the MeadowView Terrace expansion project will incorporate sustainable design techniques as standard practice in the approach to the overall project development.

**Total to be Included in the Action Plan: \$ 5,065,308**

Two alternate projects were selected in the event that a priority project (above) cannot meet the thresholds and conditions upon award offer. The two alternate projects are:

**Northampton County; Eastern Shore of Virginia Broadband Buildout Project Phase IV: \$1,000,000**

This project represents the next step in the build out of community fiber networks to serve the towns of Nassawadox, Exmore, Willis Wharf and Belle Haven. It will provide connectivity to major health care facilities such as the Shore Memorial Hospital, Shore Cancer Center, Eastern Shore Rural Health, Eastern Shore Community Services Board and a large number of physicians groups and will also serve as an economic development stimulus for job creation.

**Prince Edward County; Improving Energy Efficiency to Facilitate Job Retention and Job Creation Project: \$770,272**

This project will provide significant energy efficiency improvements and additional equipment for a sheltered workshop. These improvements will allow for the expansion of approximately 45 new permanent positions for low-to-moderate income persons.

***A. SPREADSHEET FOR REPORTING PROPOSED CDBG-R ACTIVITIES***

Grantees must provide information concerning CDBG-R assisted activities in an electronic spreadsheet provided by HUD. The information that must be reported in the spreadsheet includes activity name, activity description, CDBG-R dollar amount budgeted, eligibility category, national objective citation, additional Recovery Act funds for the activity received from other programs, and total activity budget. An electronic copy of the spreadsheet and the format is available on HUD's recovery website at <http://www.hud.gov/recovery>.

Jurisdiction/Grantee Name: Virginia Department of Housing and Community Development			CDBG-R Formula Grant Amount: \$5,221,967			Date: 6/19/09	
<b>Activity Name</b>	<b>Activity Description</b>	<b>Eligibility (Regulatory or HCDA Citation)</b>	<b>National Objective Citation</b>	<b>CDBG-R Project Budget (\$)</b>	<b>Additional Recovery Funds (\$)</b>	<b>Other Leveraged Funding (\$)</b>	<b>Total Activity Budget</b>
Administration	Administration of CDBG-R funds	21A	24 CFR Part 570.489	\$ 481,079		\$ 6,000	\$ 487,079
Acquisition	Acquisition of vacant property for Fire House construction	01	23 CFR Part 570.483(b)(1)	\$ 45,000			\$ 45,000
Construction	Construction of Fire House	03	25 CFR Part 570.483(b)(1)	\$ 893,000			\$ 893,000
Sewer	Construction of sewer lines to serve AWASAW	03J	26 CFR Part 570.483(b)(4) LMJ	\$ 141,281			\$ 141,281
Water	Construction of water lines to serve AWASAW	03J	26 CFR Part 570.483(b)(4) LMJ	\$ 116,531			\$ 116,531
Streets	Construction of access road to AWASAW	03K	26 CFR Part 570.483(b)(4) LMJ	\$ 682,188		\$ 587,500	\$ 1,269,688
Construction	Construction of AWASAW	N/A	26 CFR Part 570.483(b)(4) LMJ	\$ -		\$ 20,000,000	\$ 20,000,000
Construction	MeadowView Terrace medical facility expansion build out	03P	26 CFR Part 570.483(b)(4) LMJ	\$ 491,823		\$ 2,960,000	\$ 3,451,823
Construction	Franklin Business Incubator Build-Out	17D	26 CFR Part 570.483(b)(4) LMJ	\$ 504,065		\$ 144,000	\$ 648,065
Construction	Construction of NW Works sheltered workshop facility	03B	32 CFR Part 570.483(b)(2) LMC	\$ 930,000		\$ 6,500,000	\$ 7,430,000
Acquisition	Acquisition of Historic Marion School Building	01	33 CFR Part 570.483(c)(1) SBA	\$ 250,000			\$ 250,000
Construction	Street-scape improvements (sidewalk, lighting)	03L	33 CFR Part 570.483(c)(1) SBA	\$ 57,000		\$ 100,000	\$ 157,000
Construction	Façade improvements to downtown building	17C	33 CFR Part 570.483(c)(1) SBA	\$ 630,000			\$ 630,000
				\$ 5,221,967		\$ 30,297,500	\$ 35,519,467

**B. CDBG-R INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)**

- (1) **Activity Name:** (Grantees should follow the same order that activities are listed in the Spreadsheet for Reporting Proposed CDBG-R Activities – this will allow HUD to easily match activity narratives with the information provided in the spreadsheet.)

Administration	Administration of CDBG-R funds
Acquisition	Acquisition of vacant property for Fire House construction
Construction	Construction of Fire House
Sewer	Construction of sewer lines to serve AWASAW
Water	Construction of water lines to serve AWASAW
Streets	Construction of access road to AWASAW
Construction	Construction of AWASAW
Construction	MeadowView Terrace medical facility expansion build out
Construction	Franklin Business Incubator Build-Out
Construction	Construction of NW Works sheltered workshop facility
Acquisition	Acquisition of Historic Marion School Building
Construction	Street-scape improvements (sidewalk, lighting)
Construction	Façade improvements to downtown building
<b>First Alternate Project</b>	
Construction	Installation of Broadband Network
<b>Second Alternate Project</b>	
Construction	Installation of replacement HVAC system
Equipment	Manufacturing equipment purchase

**Note: In recognition of the urgency of the CDBG-R program, two additional projects were prioritized as the first and second alternate projects. In the event that unforeseen circumstances delays one of the priority projects to where it can no longer be started in an acceptable timeframe for CDBG-R, the funding offer will be withdrawn and the first alternate project will receive an offer.**

- (2) **Activity Narrative:**

In addition to the Spreadsheet for Reporting Proposed CDBG-R Activities, grantees must provide a narrative for each activity describing how the use of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of ARRA. The grantee's narrative must also state how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:

- Preserving and creating jobs and promoting economic recovery;
- Assisting those most impacted by the recession;
- Providing investment needed to increase economic efficiency;
- Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;
- Minimizing or avoiding reductions in essential services; or
- Fostering energy independence.

**1. Administration of CDBG-R funds:**

The Virginia Department of Housing and Community Development (DHCD) will split the available administrative funds with the localities who receive grants under the CDBG-R program. Of the total CDBG-R funds available, 10% (\$522,197) is available for combined state and local Administration and Technical Assistance. Of this 10%, grantees are eligible to receive 70% and the state will receive 30% for its administrative and technical assistance functions.

**2. Acquisition of Vacant Property:**

CDBG-R funds will be utilized to acquire vacant property that will allow the construction of a new Fire Station in the Town of Fries. The relocation from the existing fire station makes property available to continue the town wide redevelopment of Fries by opening up valuable river front property (which is inadequate for the current use) that is situated in the center of downtown. This is a long term investment in promoting economic recovery, as the transition of Fries from a struggling, formerly industrial town to a vibrant tourism destination that will produce significant private investment and job creation in the future.

**3. Construction of Fire House**

Currently the existing fire department is located in the central business district, which not only disallows any future commercial growth downtown, it also creates a safety issue as was the case in the December 2007 propane tank explosion, which damaged the fire department and barricaded the use of the response vehicles. The relocation project will also lead to the development of what the Fries Master Plan calls “Downtown Commons.” Located in the heart of the commercial district, the current use as the existing fire station provides no commercial activity. The large space in front of the station must be kept open at all times, further detracting from the potential civic space. The new use remedies this by building a new fire department on another site, thus freeing the downtown space for active public and commercial use.

The Overall Fries Redevelopment Initiative makes up major part of the regional development of cultural heritage/ recreational tourism, with the redevelopment of the mill site and the downtown business district which make up the trail head for the New River Trail State park (57 mile trail from Fries to Pulaski). Fries is also a major venue on the Crooked Road and contributes to Round The Mountain, the two largest regional branding campaigns in the State of Virginia.

Once the relocation and land swap has taken place, the Town through a partnership with BRCEDA (Blueridge Crossroads Economic Development Authority) will control the existing nine bay fire hall, bingo hall and related property, thus making it available for private investment/small business opportunities. This project is crucial for the redevelopment of downtown.



#### **4. Acquisition of former school house:**

The most severely blighted structure in Downtown Marion, which is also a key local landmark, is the 1908 Marion Schoolhouse, also known as the Historic Marion School Building. This century-old structure has been used by the citizens of Smyth County as a high school, grammar school, library, school board offices, and most recently a county museum. The two-story building sits on the highest peak in the historic Downtown District and is the most prominent building in town. In May 2009, the Historic Marion School Building was selected by Preservation Virginia as a 2009 Most Endangered Historic Site in Virginia. As Phase I of the Marion Downtown Project, the Town of Marion will acquire the Historic Marion School Building and eliminate exterior blight on the property to adaptively reuse the structure for the Appalachian School of Music and Art. This proposed use was recommended through an independent study completed to evaluate the highest and best use for the Historic Marion School Building.

The elimination of blight and the development of pedestrian ways north of Main Street Marion will create a Town Campus and connect the Historic Marion School Building to existing cultural and heritage attractions. This is key to the successful implementation of the Town's economic restructuring plan, which is the guiding force to shift the local economy away from the traditional textile and furniture manufacturing industrial base to a diversified economy grounded in cultural and heritage assets. Tourism development in Marion will have a multiplier effect to spur small business development and job growth, and the Appalachian School of Music and Art in the Historic Marion School Building will be a keystone asset.

#### **5. Façade improvements to downtown building:**

Through the acquisition and exterior rehabilitation of the Historic Marion School Building, the Town of Marion will be eliminating physical blight at one of the most prominent, key historic buildings in Marion. The project area also includes five blighted storefronts on Main Street, one blighted structure on N. Chestnut Street, and blighted areas along E. Court Street and E. Strother Street. By eliminating these blighted areas with façade improvements, screening, and pedestrian way enhancements, the immediate needs of the project area will be addressed. A large, roughly paved, blighted parking lot located centrally in the project area will be address as part of the Courthouse Renovations in Phase II of the Marion Downtown Project.

The elimination of blight and the development of pedestrian ways north of Main Street Marion will create a Town Campus and connect the Historic Marion School Building to existing cultural and heritage attractions. This is key to the successful implementation of the Town's economic restructuring plan, which is the guiding force to shift the local economy away from the traditional textile and furniture manufacturing industrial base to a diversified economy grounded in cultural and heritage assets. Tourism development in Marion will have a multiplier effect to spur small business development and job growth,

and the Appalachian School of Music and Art in the Historic Marion School Building will be a keystone asset.

**6. Streetscape improvements:** See items “4” and “5” above.

**7. Construction of sewer lines, water lines, and an access road to serve AWASAW**

The AWASAW Artisans and Cultural Center is a regional Center devoted to providing each visitor with the ultimate Virginia cultural experience. The name AWASAW is derived from a Native American word, Awausu, meaning *beautiful things*, and the Center will feature just that – Virginia artisans and craft persons creating beautiful works of art. Virginia arts, crafts, wines, and foods will be available for purchase and the Center will house an expanded regional Tourist Information Center.

Located in the Shenandoah Valley, the AWASAW Cultural Center will be situated on approximately eight acres of land leased from the Frontier Culture Center of Virginia. The 80,000 square foot complex will integrate old world and modern architecture, featuring stone and exposed wooden beams. Office space will be made available to the Artisans Center of Virginia, helping AWASAW become a key regional center for the expanded promotion of Virginia artisans by the Virginia Tourism Corporation.

With an overall project budget of more than \$22 million, CDBG-R funds provide funding for off-site improvements. The AWASAW Cultural Center, both during its construction, and throughout its operation, will benefit low- and moderate- income (LMI) persons. It is estimated that 272 construction-related positions will be created and maintained during the construction of the project, with projected payrolls of approximately \$5,558,000 over the course of construction. This figure does not take into account salaries for construction-support industries, namely material manufacturers, truck drivers, warehouse personnel and other similar positions. A project of this magnitude will have a substantial trickle-down effect in the surrounding communities long before the doors ever formally open for business. After the AWASAW Cultural Center is constructed, it will require 48 positions to maintain operation, with a projected annual payroll of \$1,247,670. At least 70 percent of all jobs created during the construction and operation of the AWASAW Cultural Center will be made available to low- and moderate- income individuals. This percentage results in approximately 190 construction jobs and approximately 34 operational jobs made available to low- and moderate-income individuals, an extraordinary leverage of CDBG-R funds.

**8. MeadowView Terrace medical facility expansion build out:**

MeadowView Terrace, located just outside of Clarksville in Mecklenburg County, is an award winning, dually certified (Medicaid and Medicare) nursing facility that provides nursing, personal and restorative care, as well as rehabilitation services to persons in need of long term care services. The MeadowView expansion proposes 16,149 square feet of new space and 1,760 square feet of renovated space, which is necessary to attach two

new additions to the existing facility. The added space will house 30 additional nursing beds to its current 120-bed facility. This expansion will create 25 new full-time permanent jobs, of which 17 qualify as LMI jobs, and 14 or 15 construction jobs.

MeadowView opened in January of 2001, was filled to capacity by December of 2001, and has maintained an exceedingly high occupancy rate since opening; occupancy was 99.8 percent in 2006 and 99.5 percent in 2007. In addition, MeadowView maintains a waiting list of residents in need of services; an average of eight inquiries are received each week, totaling 416 per year, requesting a bed at MeadowView Terrace. In October of 2008, MeadowView applied for a Certificate of Public Need (COPN) to support the 30-bed expansion and received approval of the COPN from the Virginia Department of Health on February 12, 2009.

#### **9. Franklin Business Incubator Build-Out:**

The Franklin Business Incubator building, located at 601 North Mechanic Street in downtown Franklin, was one of the many structures damaged from Hurricane Floyd and the resulting floods. Over \$2 million in funding was subsequently awarded from the U.S. Economic Development Administration, the Virginia Department of Business Assistance, and Virginia Department of Housing and Community Development Community Development Block Grant program to assist the City in undertaking the adaptive reuse of its old peanut warehouse in 2005 to provide space and technical assistance for the start up of new businesses in an effort to revive and stabilize the local economy. Since that time, the Incubator has experienced tremendous success and its three floors of office space (12,154 square feet) are constantly at maximum capacity. Currently, the Incubator is home to twenty-eight (28) businesses employing one hundred and twenty (120) individuals – sixty-two (62) full-time and fifty-eight (58) part-time employees. With five (5) emerging businesses on the waiting list, the City of Franklin as well as the Franklin Southampton Economic Development, Inc. are forced to seek funding to complete a build-out of the 4<sup>th</sup> floor as well as limited improvements to portions of the 2<sup>nd</sup> and 3<sup>rd</sup> floors (total 7,800 square feet) in order to accommodate up to eighteen (18) more businesses employing seventy-seven (77) individuals so that they operate in the City of Franklin and surrounding communities. The creation of this build-out will serve to maximize job creation and economic development benefit for not only the City, but also the region and Commonwealth of Virginia.

#### **10. Construction of NW Works sheltered workshop facility:**

NW Works provides training and employment to over 150 individuals with disabilities who typically would be considered unemployable. Each trainee is given an individualized assessment and vocational plan so that they can identify and reach their employment goals. All workers are extremely low-income residents of the area and have some long-term disability. The present building is twenty-seven thousand (27,000) square feet, and over time it has limited the ability to adequately serve the disabled workers due to the size, layout and age of the building.

CDBG-R funds will support the construction of a new forty-five thousand (45,000) square foot facility to be built on 17 acres in Frederick County, Virginia. The facility will include various multi-purpose work areas; a café which will serve both the public and stakeholders; a retreat center which will be catered by our café; and, a flower & farmer's market. Each of these workplace components will be staffed by individuals with disabilities. This new state-of-the-art facility will allow the expansion of the population served to include individuals with autism as well as more severe disabilities.

100% of the proposed CDBG-R award will be used to meet the employment of low- and moderate-income (LMI) workers and families. The project will provide immediate employment in the building trades as well as provide additional employment of individuals with disabilities. The project is estimated to create a total of 79 permanent jobs, 72 of which for LMI clients. The remaining 7 positions will be filled by NW Works to meet staffing demands of the new site, expanded client work opportunities and larger client service loads.

The construction phase should generate approximately 68 jobs. Local proximity to the Northern Virginia area resulted in a proportionate decline in the local building construction and supply industry in our area during the housing market decline. Stimulation of construction projects in Frederick County will make a significant difference in local available work opportunities.

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#### First Alternate Project

### **11. Installation of Broadband Network:**

This project represents the next step in the build out of community fiber networks to serve the towns of Nassawadox, Exmore, Willis Wharf and Belle Haven on the Eastern Shore of Virginia. It will provide connectivity to major health care facilities such as the Shore Memorial Hospital, Shore Cancer Center, Eastern Shore Rural Health, Eastern Shore Community Services Board and a large number of physicians groups and will also serve as an economic development stimulus for job creation. The broadband network has the potential to attract not only technology-related businesses like those serving the Wallops Flight Facility, but will provide the capability for companies to base here that do business around the world. It can attract any number of businesses which will not negatively impact the eco-tourism and agricultural/aquaculture base that supports the region now. The network has the potential not only to provide long term economic development benefits but to change the economic development focus for the Eastern Shore and provide a better standard of living for its residents.

## Second Alternate Project

### **12. Installation of replacement HVAC system:**

This project will provide significant energy efficiency improvements and additional equipment for a sheltered workshop. The Prince Edward County Job Training and Manufacturing Facility employs approximately 70 persons. These employees include citizens with disabilities, previous and current welfare recipients and those who were previously unemployed. Without replacement of its current HVAC system, approximately 59 (84%) current permanent, full time low- and moderate income (LMI) jobs are threatened due to the cost of operating the system and the lack of a consistent temperature.

### **13. Manufacturing Equipment Purchase:**

The equipment purchase will allow for a new production line for the Army Combat Uniform (ACU) Jackets and the new Secure Document Destruction business. This new production line and new business will create 46 new permanent, full time jobs, of which 41 (89%) will be LMI.

- (3) Jobs Created: (Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs)).

<b>Activity</b>	<b># FT / # PT Permanent Jobs</b>	<b># FT / # PT Construction Jobs</b>	<b># FT / # PT Temporary Jobs</b>
Franklin Business Incubator Build-Out	40 / 37	15 / 0	/
NW Works sheltered workshop construction	77 / 0	68 / 0	/
Fries Firehouse Admin/Engineering	/	/	4 /
Fries Firehouse Building Construction	/	30 /	/
Permanent long term in the Fries downtown business district as a result of fire department relocation	10 / 10	/	/
MeadowView Terrace Expansion	25 / 0	14 / 1	0 / 0
Historic Marion School Exterior Rehab	/	20 / 0	/
Pedestrian Way Improvements	/	10 / 0	/
Building Facades and Screening	/	10 / 0	/
Appalachian School of Music and Art (Long-term)	8/ 15	/	/
Resulting jobs in Downtown Marion (Long-term)	10 / 10	/	/

AWASAW Construction	0 / 0	219 / 0	46 / 0
AWASAW Management and Operations	48 / 4	0 / 0	0 / 0
<b>Total</b>	<b>218 / 76</b>	<b>386 / 1</b>	<b>50 / 0</b>
<i>First Alternate Project</i>			
Broadband Network Installation	48 / 6	7 / 0	5 / 5
<i>Second Alternate Project</i>			
Installation of replacement HVAC system	0 / 0	33 / 0	0 / 0
Manufacturing Equipment Purchase	46 / 0	0 / 0	0 / 0

- (4) Additional Activity Information: (A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable.)

**1. Construction of sewer lines, water lines, and an access road to serve AWASAW**

The AWASAW Cultural Center's overall site preparation and construction will incorporate many energy conservation, smart growth, and green building techniques, which are specifically outlined below:

**SITE RELATED:** Construction site waste will be recycled. Stormwater run-off will be decreased through the use of permeable paving materials on portions of the site. Stone and grass pavers will also be used. In addition, the current City of Staunton stormwater ordinance, as recently amended, requires Low Impact Development (LID) measures to be installed in all development and redevelopment projects. LID includes minimizing the amount of impervious surfaces (i.e. parking lots) and treating stormwater runoff at the source (i.e. disconnected roof drains discharging onto vegetated ground instead of being piped to a storm drain).

In addition, all new developments are required to provide stormwater quality and quantity controls; the former includes pollutant removal through bioretention and/or wet ponds and the latter includes detention of stormwater runoff to make peak flow rates post-development less than pre-development. The ordinance also now requires 24-hour extended detention of the one-year design storm, which protects receiving streams from stream-bed erosion as well as provides additional pollutant removal.

**MASONRY:** The core-fil 500 block filler that will be used provides thermal and sound insulation and fire-rating.

**HARDIE PANEL SIDING:** Hardie Panel Siding is low-maintenance-fiber cement siding that does not rot, is fire-resistant, termite resistant and holds paint longer than other siding material. The raw materials are extracted and processed near Pulaski, Virginia (120 miles from project site), thus reducing transportation and energy costs. The longer lasting materials not only require fewer resources for replacement, but also reduce maintenance and repair costs. The manufacturing processes focus on quality, first-run materials. This is a zero to landfill project aimed at reducing the amount of raw material waste sent to landfills by half.

**EPDM ROOFING:** 100%-EPDM roof membrane and accessories are manufactured in Carlisle, PA (190 miles from the project site), thus reducing transportation costs. The Peterson metal roof panels are manufactured in Annapolis Junction, MD (185 miles from the project site). The life cycle costs of EPDM have been shown to exceed other single-ply membranes, thus increasing a critical part of the material's sustainability. When its life-cycle is complete the membrane is completely recyclable.

**INDOOR AIR QUALITY:** Indoor air quality will be optimized for construction workers and building occupants by using low VOC (Volatile Organic Compound) sealants, paints, carpeting, and composite wood on portions of the project.

**MECHANICAL:** Economizer cycles will be utilized on the rooftop and HVAC equipment allowing for free cooling. CO2 sensors will minimize the outside air requirements when needed. Water usage will be minimized by the use of sensor-type faucets and reduced flush urinals and water closets.

#### **OVERALL PROJECT CONSIDERATIONS:**

Efforts will be made to reduce material transportation impacts on the environment by using materials extracted from regional sources on portions of the project. The demand for virgin materials will also be reduced by using salvaged materials and materials that contain recycled content on portions of the project. Construction waste that would normally go the landfill will be reduced by establishing a construction waste management plan that will recycle any recyclable construction refuse.

In addition, this project will be constructed in one of Staunton's Entrance Corridor Overlay Districts, which has design standards and guidelines to establish practical expectations for site and building design that support the principles of smart growth and green building techniques in several ways. Design requirements and recommendations for the district are focused on the following goals: encouraging site design based on the preservation and integration of existing natural environments; fostering distinctive and attractive development based on Staunton's strong sense of place; creating walkable human scaled development; encouraging the reduction of hard surface parking area; and minimizing light pollution.

At this stage in the project's development additional conservation and Leadership in Energy and Environmental Design (LEED) elements may also be incorporated into the design.

## **2. Franklin Business Incubator Build-Out:**

Attempts will be made whenever feasible to make the Franklin Business Incubator as environmentally-friendly as possible as well as to adhere to the principles set forth by the Governor's newly enacted Executive Order 82. Built as a buggy factory in 1907 and later used as a peanut warehouse, the exterior and structural integrity of the building are still intact. However, based on the structure's age and prior completion of improvements, there are limited opportunities for green construction and other environmentally-friendly techniques. The CDBG-R funds will be utilized for interior improvements only, again limiting the opportunity to make a substantial impact on this objective. Nonetheless, the Franklin Building Incubator will strive to adhere to the following energy conservation techniques:

- Replace incandescent lights with compact fluorescent lights (CFLs) for desk lamps and overhead lighting.
- Use natural lighting or daylighting. When feasible, turn off lights near windows.
- Close or adjust window blinds to block direct sunlight to reduce cooling needs during warm months. Utilize overhangs or exterior window covers to block sunlight on south-facing windows.
- Unplug equipment that drains energy when not in use (i.e. cell phone chargers, fans, coffeemakers, desktop printers, radios, etc.).
- Turn off photocopier at night or purchase a new copier with low standby feature. Purchase printers and fax machines with power management feature and use it.
- Check furnace ducts for disconnects or leaks.
- Ensure HVAC ductwork is well insulated.

## **3. Acquisition of Vacant Property: N/A**

## **4. Construction of Fire House**

By constructing a new fire hall and relocating the volunteer fire department in order to provide the department with a better facility outside of the busy downtown district and by following the recommendations of the Fries Revitalization Master Plan to develop a Downtown Commons thru adaptive reuse of the existing fire station, the town is practicing smart growth. Currently the existing fire department is located in the central business district, which not only disallows any future commercial growth downtown, it also creates a safety issue as was the case in the December 2007 propane tank explosion, which damaged the fire department and barricaded the use of the response vehicles.

## **5. Acquisition of former school house: N/A**

## **6. Façade improvements to downtown building: N/A**

## **7. Streetscape improvements:**

The Marion Town Campus plan follows the principals of Smart Growth. The Marion Town Campus will combine mixed-use development with green, pedestrian-friendly streets in a revitalized downtown business district. This project will allow for the first steps toward the



adaptive reuse of an historic structure in Downtown Marion to preserve local heritage and bolster economic development and entrepreneurship along Main Street. Finally, the idea of a Town Campus promotes the Virginia Tourism Corporation's new initiative for "Park the Car" destinations, which promotes reduced pollution emissions.

**8. MeadowView Terrace medical facility expansion build out:**

The architectural, engineering and interior design team for the MeadowView Terrace 30-bed expansion project is composed of multiple LEED Accredited Professionals, including the architect, designer and project manager and the mechanical engineer. The design firm incorporates sustainable design techniques as standard practice in the approach to the overall project development.

Based on financial feasibility, the sustainable design goals are as follows:

- Incorporate a gable style barn roof with upper clerestory windows to introduce indirect natural day lighting into interior spaces of the addition in an effort to reduce energy usage and decrease the need for artificial lighting sources.
- Minimize energy loss and heat gain through the use of high efficiency glazing systems for windows, and by thermally insulating the exterior walls.
- Use as high efficiency HVAC systems as financially feasible.
- Wherever feasible, use low VOC (volatile organic compound) paints, recycled content materials including flooring, wall coverings, ceilings, and countertop materials.
- Purchase materials and products locally as much as possible.
- Use sustainable site construction techniques, storm water pollution prevention techniques and control construction waste.
- Additionally, use pervious paving in the parking lot and courtyard areas, along with indigenous landscape materials for the courtyards.

- (5) Responsible Organization: (Contact information for the organization that will implement the CDBG-R activity, including its name, location, and administrator contact information)

City of Staunton  
P.O. Box 58, Staunton, VA 24402  
Sharon Angle, Planning Director – 540.332.3862 [AngleSE@ci.staunton.va.us](mailto:AngleSE@ci.staunton.va.us)

City of Franklin  
207 West Second Avenue, Franklin, Virginia 23851  
Donald Goodwin, Director of Community Development  
(757) 562-8580; [dgoodwin@franklinva.com](mailto:dgoodwin@franklinva.com)

Town of Marion  
PO Box 1005, Marion, VA 24354  
John Clark, Town Manager, 276-783-4113x222, [jclark@marionva.org](mailto:jclark@marionva.org)

Town of Fries  
P.O. Box 452, Fries, VA 24330  
Brian J. Reed, Town Manager, 800-628-4583x316, [breed@mrpdc.org](mailto:breed@mrpdc.org)

Frederick County  
107 North Kent St., Winchester, VA 22601  
John R. Riley, Jr., County Administrator, (540) 665-5600, [jriley@co.frederick.va.us](mailto:jriley@co.frederick.va.us)

Mecklenburg County  
P.O. Box 307, Boydton, VA 23917  
H. Wayne Carter, III, County Administrator, (434) 738-6191, [waynecarter@mecklenburgva.com](mailto:waynecarter@mecklenburgva.com)

#### First Alternate Project

Northampton County  
PO Box 66, Eastville, VA 23347  
Katherine H. Nunez, County Administrator, (757)678-0440, [knunez@co.northampton.va.us](mailto:knunez@co.northampton.va.us)

#### Second Alternate Project

Prince Edward County  
P.O. Box 382, Farmville, Virginia 23901  
William Wade Bartlett, County Administration,  
(434)392-8837, [wbartlett@co.prince-edward.va.us](mailto:wbartlett@co.prince-edward.va.us)

### *C. PUBLIC COMMENT*

Provide a summary of public comments received to the proposed CDBG-R Substantial Amendment.

**Note:** A Proposed CDBG-R Substantial Amendment must be published via the usual methods and posted on the jurisdiction's website for no less than 7 calendar days for public comment.

#### Response:

The draft of this CDBG-R Substantial Amendment was posted to the DHCD website at [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov) on Friday, June 19, 2009. Comments were accepted from that time until 5 p.m. on Friday, June 26, 2009. No comments were received during this timeframe.

# CDBG-R Substantial Amendment Grantee Checklist

*For the purposes of expediting review, HUD asks that applicants submit the following checklist along with the CDBG-R Substantial Amendment, Spreadsheet for Reporting Proposed CDBG-R Activities, and SF-424.*

## Contents of a CDBG-R Action Plan Substantial Amendment

Jurisdiction(s): <b>Commonwealth of Virginia</b> Lead Agency <b>Department of Housing and Community Development</b> Jurisdiction Web Address: <a href="http://www.dhcd.virginia.gov/CommunityDevelopmentRevitalization/Community_Development_Block_Grant_Program.htm">www.dhcd.virginia.gov/CommunityDevelopmentRevitalization/Community_Development_Block_Grant_Program.htm</a>	CDBG-R Contact Person: <b>Mr. Todd Christensen</b> Address: <b>501 North Second Street</b> <b>Richmond, Virginia 23219</b> Telephone: <b>804-371-7061</b> Fax: <b>804-371-7093</b> Email: <a href="mailto:todd.christensen@dhcd.virginia.gov">todd.christensen@dhcd.virginia.gov</a>
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The elements in the substantial amendment required for the CDBG recovery funds are:

### ***A. SPREADSHEET FOR REPORTING PROPOSED CDBG-R ACTIVITIES***

Does the submission contain a paper copy of the Spreadsheet for Reporting Proposed CDBG-R Activities?

Yes ☒ No ☐ Verification found on page **6**

Does the submission include an electronic version of the Spreadsheet for Reporting Proposed CDBG-R Activities sent to the email box CDBG-R@hud.gov?

Yes ☒ No ☐ Date Spreadsheet was emailed: **6/29/09**

Does the Spreadsheet for Reporting Proposed CDBG-R Activities include, for each activity:

- amount of funds budgeted for each activity, including CDBG-R funds, any additional Recovery Funds used and total activity budget,  
Yes ☒ No ☐ Verification found on page(s) **6**
- the Eligibility citation (eligibility regulatory cite or HCDA cite),  
Yes ☒ No ☐ Verification found on page(s) **6**
- the CDBG national objective citation,

Yes ☒ No ☐ Verification found on page(s) 6

**B. CDBG-R INFORMATION BY ACTIVITY**

Does the submission contain information by activity describing how the grantee will use the funds, including:

- a narrative for each activity describing how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit,  
Yes ☒ No ☐ Verification found on page(s) 8-13
- projected number of jobs created for each activity,  
Yes ☒ No ☐ Verification found on page(s) 13-14
- whether an activity will promote energy efficiency and conservation,  
Yes ☒ No ☐ Verification found on page(s) 14-17
- the name, location, and contact information for the entity that will carry out the activity,  
Yes ☒ No ☐ Verification found on page(s) 17-18
- evidence that no more than 10% of the grant amount will be spent on administration and planning,  
Yes ☒ No ☐ Verification found on page (s) 6
- evidence that no more than 15% of the grant amount will be spent on public services,  
Yes ☒ No ☐ Verification found on page (s) 6
- evidence that at least 70% of the grant amount will benefit persons of low and moderate income,  
Yes ☒ No ☐ Verification found on page (s) 6

**C. PUBLIC COMMENT PERIOD**

Was the proposed action plan amendment published via the jurisdiction's usual methods and on the Internet for no less than 7 calendar days of public comment?

Yes ☒ No ☐ Verification found on page(s) 19

Is there a summary of citizen comments included in the final amendment?

Yes ☒ No ☐ Verification found on page(s) 19 (no comments)

**D. CERTIFICATIONS (N/A)**

The following certifications are complete and accurate:

- |   |                              |                             |
|---|------------------------------|-----------------------------|
| (1) Affirmatively furthering fair housing | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (2) Anti-displacement and relocation plan | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (3) Drug-free Workplace                   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (4) Anti-lobbying                         | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

(5) Authority of jurisdiction	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(6) Consistency with plan	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(7) Section 3	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(8) Community development plan	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(9) Following a plan	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(10) Use of Funds	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(11) Excessive Force	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(12) Compliance with anti-discrimination laws	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(13) Lead-based paint procedures	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(14) Compliance with laws	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(15) Compliance with ARRA	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(16) Project selection	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(17) Timeliness of infrastructure investments	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(18) Buy American provision	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(19) Appropriate use of funds for infrastructure investments	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(20) 70% of CDBG-R for LMI	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Optional Certification		
(21) Urgent Need	Yes <input type="checkbox"/>	No <input type="checkbox"/>

#### ***D. STATE CERTIFICATIONS***

The following certifications are complete and accurate:

(1) Affirmatively furthering fair housing	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
(2) Anti-displacement and relocation plan	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
(3) Drug-free Workplace	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
(4) Anti-lobbying	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
(5) Authority of State	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
(6) Consistency with plan	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
(7) Section 3	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
(8) Community development plan	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
(9) Consultation with Local Governments	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
(10) Use of Funds	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
(11) Excessive Force	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
(12) Compliance with anti-discrimination laws	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
(13) Compliance with laws	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
(14) Compliance with ARRA	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
(15) Project selection	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
(16) Timeliness of infrastructure investments	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
(17) Buy American provision	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
(18) Appropriate use of funds for infrastructure investments	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
(19) 70% of CDBG-R for LMI	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Optional Certification		
(20) Urgent Need	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/> (N/A)